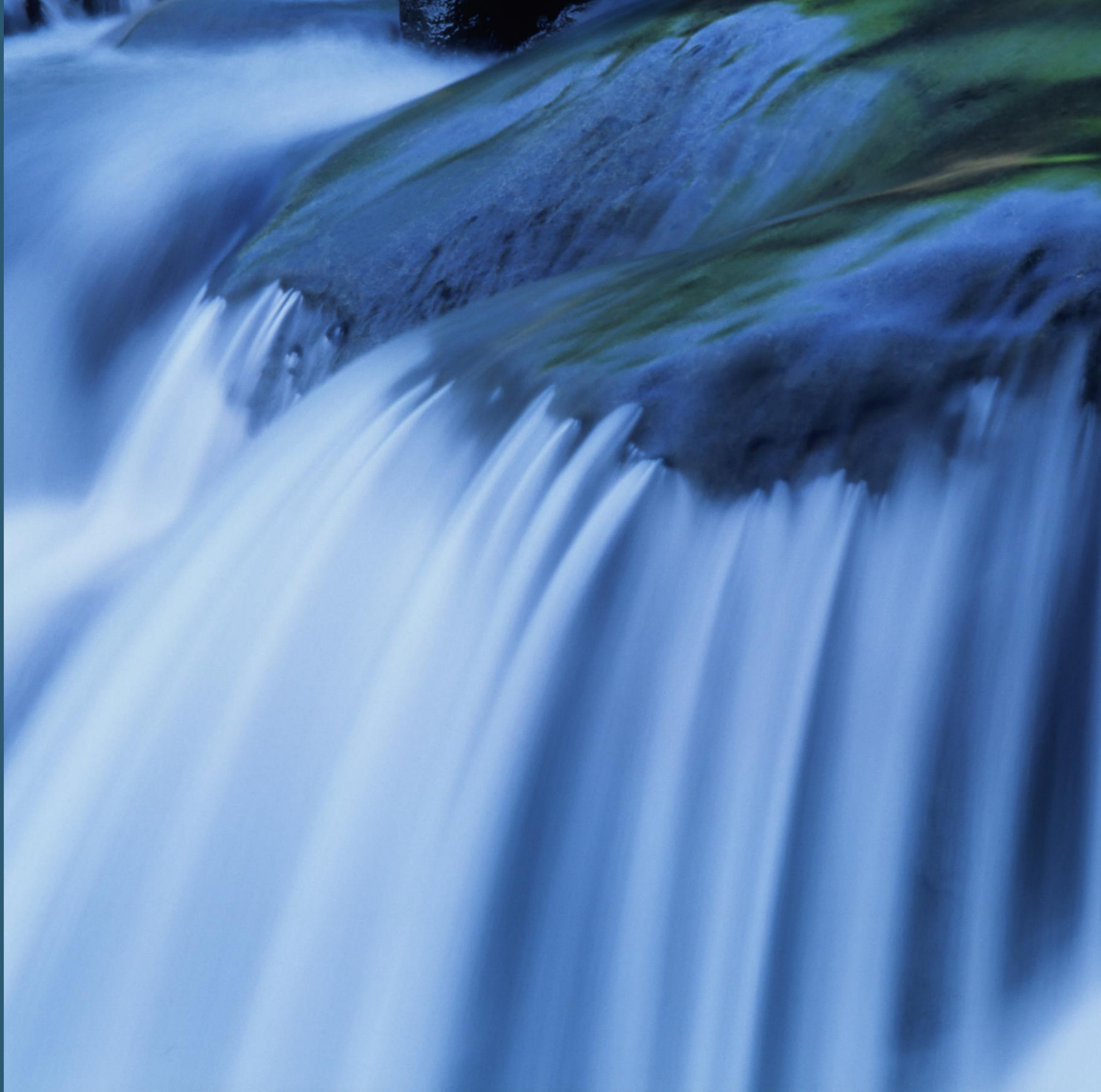
NEUBERGER | BERMAN

NB Private Markets Outlook:

Private Equity Resilience Amid Tariff Volatility

May 2025



Key Observations

We believe private equity managers are well positioned to capitalize on the current market environment

1

Amid tariff volatility, private equity resilience

Private equity portfolios tend to have lower direct exposure to tariff-sensitive sectors compared to the broader economy, potentially mitigating tariff-related disruptions

2

Operational excellence driving outperformance

Despite macroeconomic uncertainty, private equity continues to demonstrate strong operational performance and long-term outperformance against public equity markets

3

Market disruptions have created opportunity

Market volatility has created opportunities for capital providers in an illiquid environment through strategies such as mid-life co-investments, GP-led continuation funds and custom capital solutions

Past performance is no guarantee of future results.

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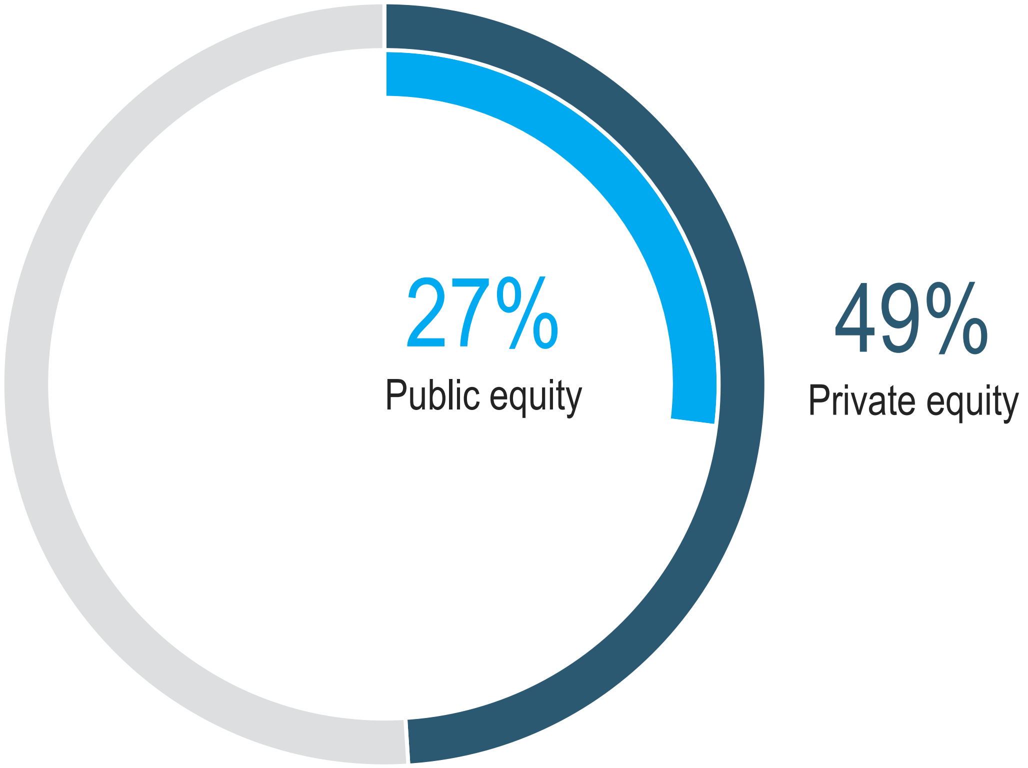
Private Equity Industry Exposure Means Tariffs May Have Lower Impact

Private equity industry has greater exposure to service sectors compared to public equity indices



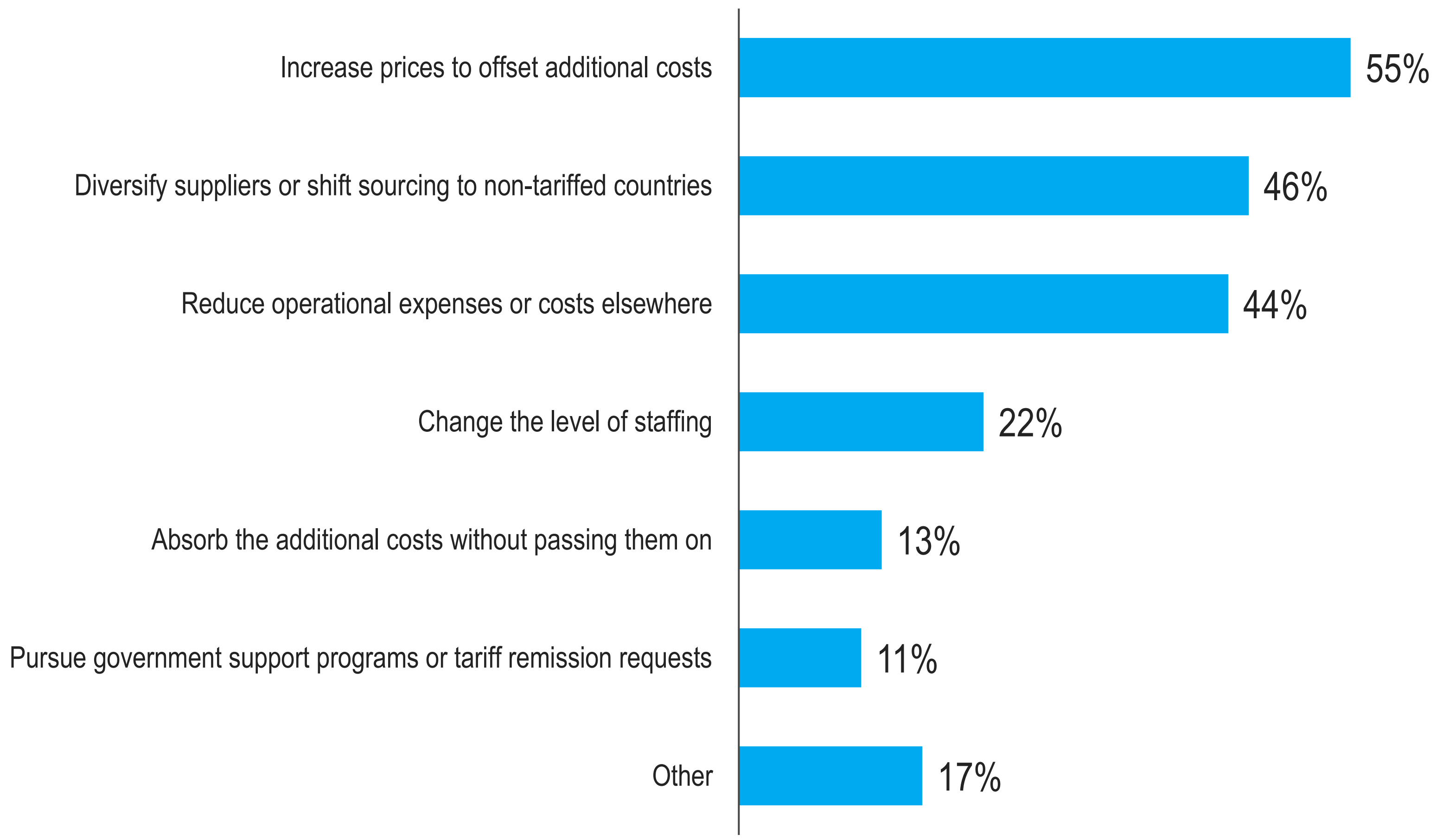
Historically, PE managers have maintained relatively limited exposure to industries heavily reliant on physical imports— instead, they have strategically prioritized sectors driven by innovation and intellectual capital, including information technology (IT), healthcare, and financial services.

We believe this positioning allows private equity-backed companies to better navigate input-cost volatility and supply-chain disruptions typically associated with tariff changes, potentially safeguarding the broader PE ecosystem from these risks. Private equity also provides potential diversification for investors with public equity exposure.

Source: Neuberger Berman and MSCI Burgiss for private equity data and S&P Capital IQ for S&P 500 data as of Q3 2024. Data includes companies in the software & technology services, healthcare services, commercial & professional services and communication services sectors.

Private Equity-backed Companies Have the Flexibility and Operational Skills to Navigate Tariff Headwinds

How private equity-backed companies can potentially address tariffs



When tariffs were first announced, we surveyed over 100 private equity firms across industries and geographies to assess potential impacts on portfolio companies.

About half expected no impact, while the other half anticipated moderate effects on revenues, operating costs, and EBITDA.

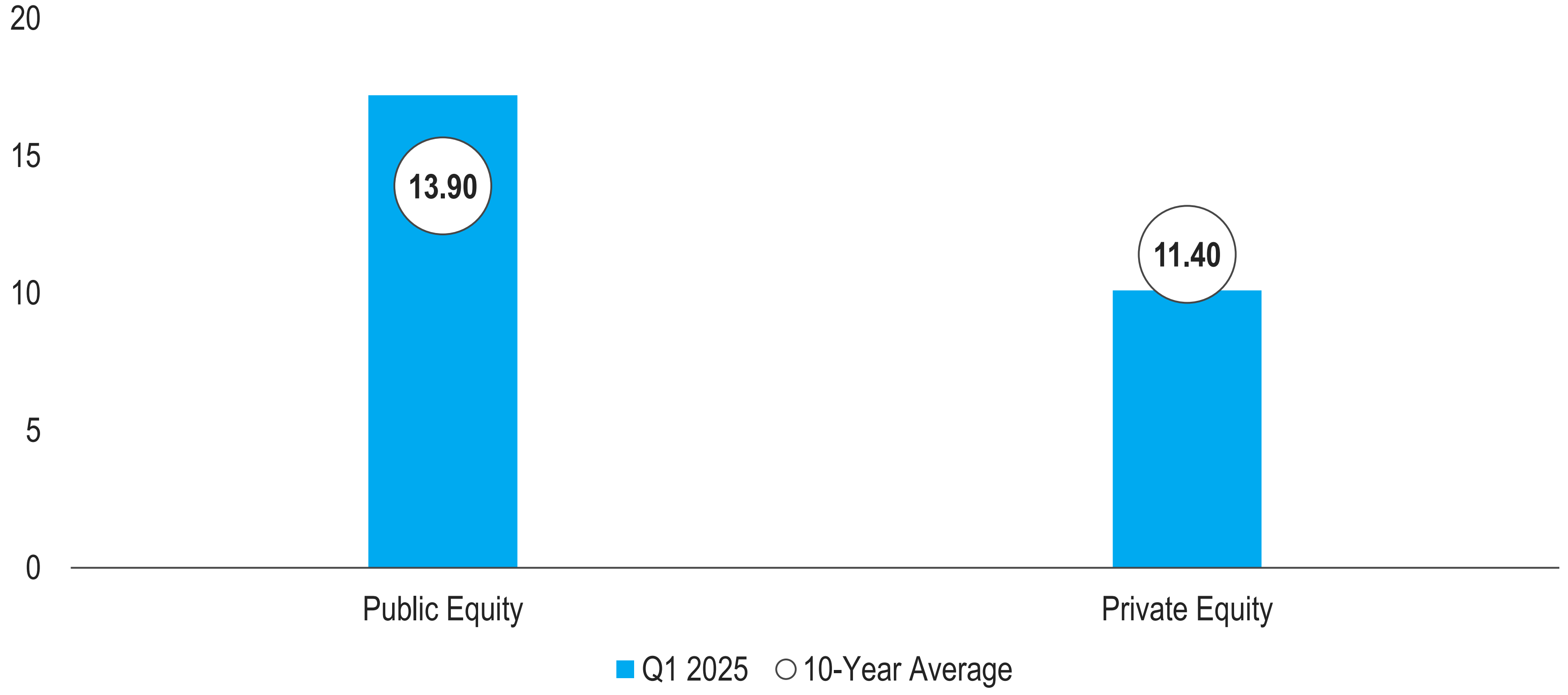
Private equity-backed companies can actively mitigate challenges like tariffs by increasing prices, diversifying suppliers, and managing costs.

These strategies highlight the operational flexibility of private equity-backed businesses to navigate disruptions.

Source: Neuberger Berman Private Markets analysis based on Private Equity Managers' Tariff Impact Survey Results, as of April 9, 2025.

Private Equity Valuations Are Attractive Compared to Public Equity on a Short- and Long-term Basis

U.S. – Purchase price multiples (EV/EBITDA) from 2015 through Q1 2025



U.S. private equity purchase multiples **remain lower and less volatile compared to public markets**, highlighting a more stable, long-term pricing environment for private assets. It's also in line with long-term trend.

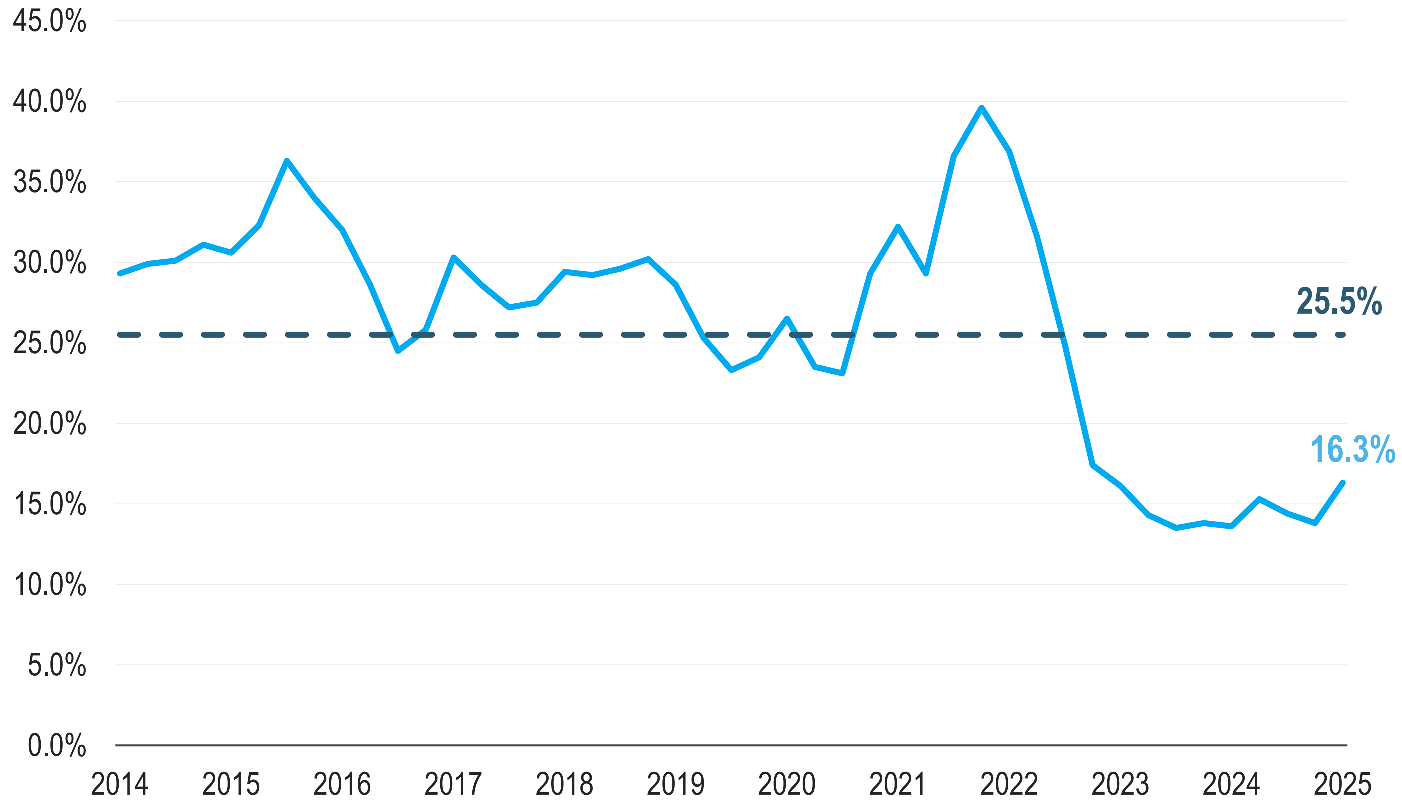
This valuation gap may provide an **attractive entry point** for private equity investors compared to public market alternatives.

Past performance is no guarantee of future results.

Source: Pitchbook and S&P Capital IQ as of March 31, 2025. U.S. public multiples are based on the S&P 500 Index. U.S. private multiples are based on the median.. For illustrative and discussion purposes only. Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal.

Private Equity Distributions Continue to Lag

Last Twelve Months U.S. buyout fund distributions as a percentage of beginning NAV



Buyout-backed exits recovered somewhat in 2024, but are still at decade lows. IPOs and corporate acquisitions were the primary drivers of the recovery.

Despite some recovery in exit activity, distributions as a percentage of beginning NAV have yet to rebound, highlighting extended asset-holding periods and a lag in capital returns to limited partners (LPs). Despite hopes of revived distributions in 2025, we believe ongoing market volatility will continue to delay distributions, creating additional opportunities for liquidity providers.

Source: Pitchbook as of 3/31/2025. Note: The data for the most recent two quarters was estimated based on exit deal value.

In 2024, Funds Sought to Raise >3x as Much Capital as LPs Had Available to Deploy

2024 Aggregate value of funds on the road

2024 Aggregate value of funds closed

Fundraising supply and demand has shifted, with more competition among general partners (GPs) to raise a limited pool of LP capital. **Private equity fundraising slowed significantly in 2024, with fewer funds raised, but larger funds dominating** due to LPs' preference for experienced managers.

Dry powder remains substantial, supporting future deal activity despite macroeconomic uncertainty.

This trend reflects a flight to quality, with investors prioritizing established private equity managers with strong track records.

Source: Preqin, data as of November 12, 2024; Bain.
Note: includes only closed-end funds and commingled accounts; other includes mezzanine, hybrid, PIPE and fund-of-funds.

Providing Liquidity to an Illiquid Market Is a Key Opportunity for 2025, But Not All Firms Can Deliver This

MID-LIFE CO-INVESTMENTS

provide flexible capital to managers who may need liquidity for existing portfolio companies and/or investors

GP-LED CONTINUATION FUNDS

offer innovative ways to extend hold periods for high-performing assets while unlocking liquidity for investors

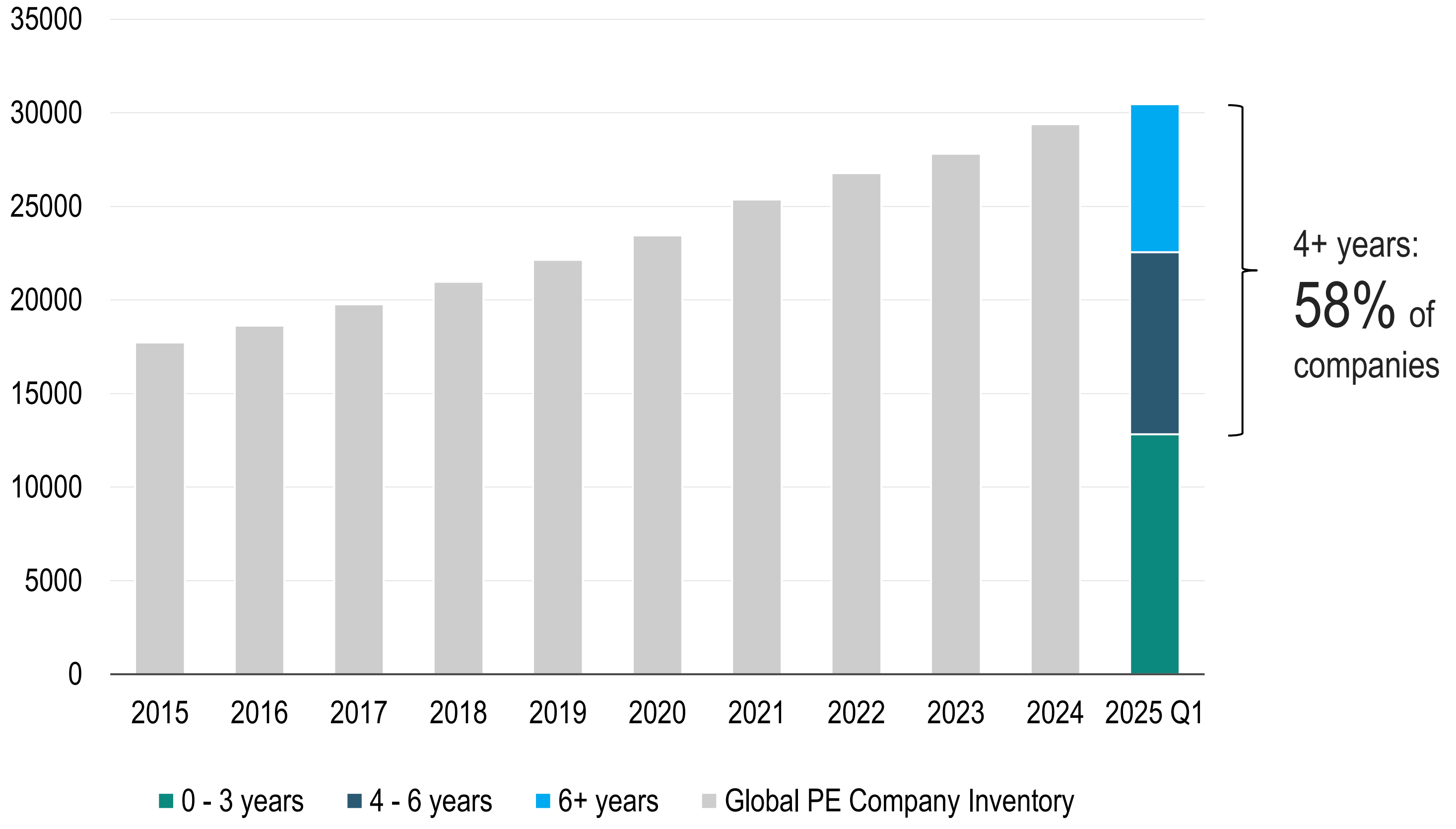
CUSTOM CAPITAL SOLUTIONS

address unique financing needs, showcasing private equity's adaptability to evolving market conditions

For illustrative purposes only.

Prolonged Holding Periods in Private Equity Require Innovative Strategies

Number of PE-backed companies by time in portfolio



Private equity portfolios are experiencing longer holding periods as firms shift from quick exits to strategies focused on operational improvements, acquisitions, and long-term growth. Prolonged holding periods, combined with reduced distribution activity due to economic uncertainties, have increased the demand for liquidity.

Fewer exits are occurring, prompting GPs to adopt alternative strategies such as GP-led continuation funds, mid-life co-investments, and custom capital solutions. These methods aim to provide liquidity for Limited Partners without compromising the value of high-performing assets amidst a competitive and uncertain market environment.

Source: Burgiss U.S. Private Equity. Data as of February 20, 2025.

Investment Insights

Despite recent headwinds, we believe private equity remains poised to deliver attractive, long-term risk-adjusted returns and should continue to be a cornerstone of well-diversified investment portfolios

Diversification

Private equity has historically delivered long-term outperformance compared to public equities, especially during periods of market stress, making it a valuable diversification tool during challenging times for other asset classes.

Diminished Distributions

Economic uncertainty, compounded by tariffs and recession risks, has resulted in low buyout exits and capital distributions to LPs.*

Liquidity Lifeline

Liquidity providers can capitalize on market dislocations by offering liquidity solutions to private equity managers and their portfolio companies. This can enable access to attractive investments at favorable valuations.

Extended Asset-Holding Periods

Reluctant to sell high-performing assets at modest valuations, private equity firms are taking more time to create additional value within existing portfolios. This may reduce liquidity or limit the feasibility of quick exits.

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*Source: Pitchbook. Data as of February 20, 2025.

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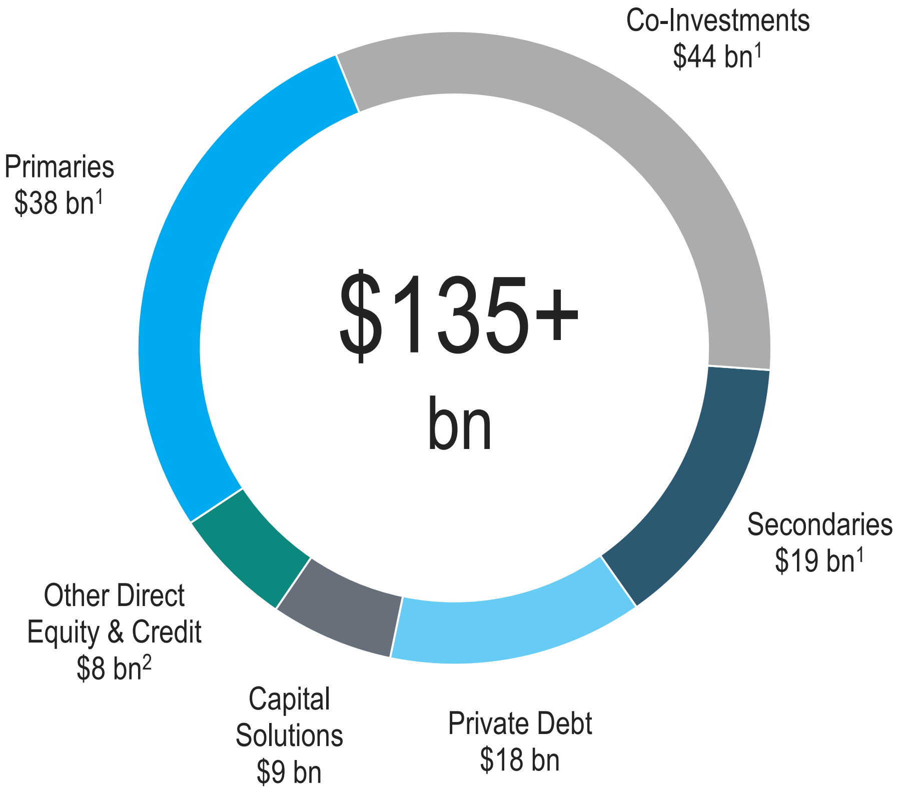
Neuberger Berman: A Leading Private Markets Investor

Over 35 years of private markets experience focused on delivering compelling investment results

NB Private Markets Platform



Neuberger Berman Assets Under Management: $508bn[3]

ALTERNATIVES	EQUITY	FIXED INCOME
$174bn	$137bn	$196bn

Our global private markets platform, relationships and expertise provide access to a consistent source of attractive investment opportunities

GLOBAL TEAM	SIGNIFICANT SCALE	DEEP EVERGREEN EXPERIENCE	EXPERIENCED AND STABLE	LONG-TERM ALIGNMENT
440+	$40bn+	15+	21+	100%
private markets professionals	private markets capital committed over the last three years[4]	years of experience managing evergreen private markets programs	average years of senior investment team experience[5]	independent, employee-owned[6]

As of December 31, 2024. Aggregate Committed Capital represents total commitments to active vehicles (including commitments in the process of documentation or finalization) managed by NB Private Markets.
1. Includes estimated allocations of dry powder for diversified portfolios consisting of primaries, secondaries and co-investments. Therefore, amounts may vary depending on how mandates are invested over time. 2. Includes Marquee Brands, Insurance-Linked Solutions, Specialty Finance, Outpost Ventures and Differentiated Alternative Credit businesses. 3. Rounded to the nearest million. 4. Represents estimated commitments made across primaries, co-investments, secondaries and private credit by NB Alternatives from 2021 – 2024 for PIPCO, Secondaries, Capital Solutions and Private Debt. Data subject to change. 5. Represents Senior Investment Professionals (Senior Advisors, Managing Directors and Principals) within NB Private Markets as of December 31, 2024. 6. Includes the firm's current and former employees, directors, and, in certain instances, their permitted transferees.

Important Notes

RISK CONSIDERATIONS RELATING TO PRIVATE EQUITY STRATEGIES

Prospective investors should be aware that an investment in any private equity strategy is speculative and involves a high degree of risk that is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of such investment and for which the investment does not represent a complete investment program. An investment should only be considered by persons who can afford a loss of their entire investment. This material is not intended to replace any the materials that would be provided in connection with an investor's consideration to invest in an actual private equity strategy, which would only be done pursuant to the terms of a confidential private placement memorandum and other related material. Prospective investors are urged to consult with their own tax and legal advisors about the implications of investing in a private equity strategy, including the risks and fees of such an investment.

You should consider the risks inherent with investing in private equity strategies:

Market Conditions: Private equity strategies are based, in part, upon the premise that investments will be available for purchase by at prices considered favorable. To the extent that current market conditions change or change more quickly anticipated investment opportunities may cease to be available. There can be no assurance or guarantee that investment objectives will be achieved, that the past, targeted or estimated results be achieved or that investors will receive any return on their investments. Performance may be volatile. An investment should only be considered by persons who can afford a loss of their entire investment.

Legal, Tax and Regulatory Risks: Legal, tax and regulatory changes (including changing enforcement priorities, changing interpretations of legal and regulatory precedents or varying applications of laws and regulations to particular facts and circumstances) could occur that may adversely affect a private equity strategy.

Default or Excuse: If an Investor defaults on or is excused from its obligation to contribute capital to a private equity strategy, other Investors may be required to make additional contributions to replace such shortfall. In addition, an Investor may experience significant economic consequences should it fail to make required capital contributions.

Leverage: Investments in underlying portfolio companies whose capital structures may have significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry.

Highly Competitive Market for Investment Opportunities: The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance or guarantee that a private equity strategy will be able to locate, consummate and exit investments that satisfy rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital.

Reliance on Key Management Personnel. The success of a private equity strategy may depend, in large part, upon the skill and expertise of investment professionals that manage the strategy.

Limited Liquidity: There is no organized secondary market for investors in most private equity strategies, and none is expected to develop. There are typically also restrictions on withdrawal and transfer of interests.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues. Neuberger Berman's business activities as well as the activities of any private equity strategy and its operations and investments could be materially adversely affected by outbreaks of disease, epidemics and public health issues in Asia, Europe, North America, the Middle East and/or globally, such as COVID-19 (and other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, coronavirus, or COVID-19, has spread rapidly around the world since its initial emergence in December 2019 and has negatively affected (and may continue to negative affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Although the long-term effects of coronavirus, or COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of Neuberger Berman. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to worsen), Neuberger Berman could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on Neuberger Berman's operations and business activities and governmental actions limiting the movement of people and goods between regions and other activities or operations.

Geopolitical Risk. Neuberger Berman's business activities, as well as the activities of any private equity strategy and its operations and investments, could be adversely affected by global geopolitical issues. In particular, conflicts between two or more nations and the varying involvement of the United States and other NATO countries could preclude prediction as to their ultimate adverse impact on global economic and market conditions, and, as a result, present material uncertainty and risk with respect to any investment strategy, the performance of its investments or operations, and the ability of any private equity strategy to achieve its investment objectives. Intra-country conflicts can cause a negative impact on and significant disruptions to the economy within that country as well as to business activities globally and therefore could also adversely affect the performance of investments. Additional governmental actions (sanctions-related, military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that could be adverse to the investment strategy that any private equity strategy intends to pursue, all of which could adversely affect any private equity strategy's ability to fulfill its investment objectives. Additionally, to the extent that third parties, investors, or related customer bases have material operations or assets in any of the impacted countries, they may have adverse consequences related to the ongoing conflict.

Valuation Risk: Due to the illiquid nature of many strategy investments, any approximation of their value will be based on a good-faith determination as to the fair value of those investments. There can be no assurance that these values will equal or approximate the price at which such investments may be sold or otherwise liquidated or disposed of. In particular, the impact of the recent COVID-19 pandemic is likely to lead to adverse impacts on valuations and other financial analyses for current and future periods.

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IN ADDITION TO THESE RISK CONSIDERATIONS, THERE ARE SPECIFIC RISKS THAT MAY APPLY TO A PARTICULAR PRIVATE EQUITY STRATEGY. ANY INVESTMENT DECISION WITH RESPECT TO AN INVESTMENT IN A PRIVATE EQUITY STRATEGY SHOULD BE MADE BASED UPON THE INFORMATION CONTAINED IN THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM OF THAT STRATEGY.

Important Notes

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The Burgiss Buyout Index tracks the performance of closed-ended private equity buyout funds in the Burgiss manager universe. The index includes over 2,600 funds with $3.7 trillion in total capitalization

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